

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 CONFERENCE COMMITTEE SUBSTITUTE

4 FOR ENGROSSED

5 SENATE BILL 178

By: Johnson (Mike) and Myers of
the Senate

6 and

7 Miller and Martin (Scott)
8 of the House

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10 CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to public finance; authorizing the
12 Oklahoma Capitol Improvement Authority to issue
13 obligations for repayment of certain obligation to
14 the United States; authorizing transfer of interest
15 in certain property until certain conditions occur;
16 authorizing the borrowing of money for certain
17 purposes; stating legislative intent; providing for
18 payment of certain fees and costs; authorizing
19 procedure for issuance and hiring of certain
20 professionals; providing for use of certain interest
21 earnings; exempting certain obligations, transfers,
22 and interest from taxation; providing for investment
23 and oversight; providing for codification; and
24 declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 342 of Title 73, unless there is
created a duplication in numbering, reads as follows:

1 A. The Oklahoma Capitol Improvement Authority is hereby
2 authorized to provide for the repayment and satisfaction of the
3 state's obligations to the United States relating to the Sardis Lake
4 Project in Latimer and Pushmataha Counties. The Oklahoma Water
5 Resources Board is authorized to enter into agreements with the
6 Authority to provide security for any obligations issued for such
7 purpose.

8 B. The Authority may hold title to or a leasehold or other
9 interest in the Board's ownership or control of Sardis Lake property
10 and improvements, including the Board's control of the water storage
11 capacity, until such time as any obligations issued for this purpose
12 are retired or defeased. Upon final redemption or defeasance of the
13 obligations created pursuant to this section, title to the real and
14 personal property and improvements shall be transferred from the
15 Authority to the Board.

16 C. For the purpose of paying the costs for providing for the
17 repayment as authorized in subsection A of this section, and for the
18 purpose authorized in subsection D of this section, the Authority is
19 hereby authorized to borrow monies and to issue negotiable
20 obligations, in one or more series, in an amount sufficient to
21 generate net proceeds of Twenty-eight Million Dollars
22 (\$28,000,000.00) after providing for costs of issuance, credit
23 enhancement, reserves and other associated expenses related to the
24 financing. It is the intent of the Legislature to appropriate to

1 the Oklahoma Water Resources Board sufficient monies for the
2 purposes of retiring the obligations created pursuant to this
3 section. Provided, such obligations shall be structured so that no
4 interest payments shall be due before July 1, 2010, and no principal
5 payments shall be due before July 1, 2011.

6 D. To the extent funds are available from the proceeds of the
7 borrowing authorized by subsection C of this section, the Authority
8 shall provide for the payment of professional fees and associated
9 costs approved by the Authority.

10 E. The Authority may issue obligations in one or more series,
11 on either a federally tax-exempt or taxable basis, and in
12 conjunction with other issues of the Authority. The Authority is
13 authorized to hire bond counsel, financial consultants, and such
14 other professionals as it may deem necessary to provide for the
15 efficient sale of the obligations and may utilize a portion of the
16 proceeds of any borrowing to create such reserves as may be deemed
17 necessary and to pay costs associated with the issuance and
18 administration of such obligations.

19 F. The obligations authorized under this section may be sold at
20 either competitive or negotiated sale, as determined by the
21 Authority, and in such form and at such prices as may be authorized
22 by the Authority. The Authority may enter into agreements with such
23 credit enhancers and liquidity providers as may be determined
24 necessary to efficiently market the obligations. The obligations

1 may mature and have such provisions for redemption as shall be
2 determined by the Authority, but in no event shall the final
3 maturity of such obligations occur later than fifteen (15) years
4 from the first principal maturity date.

5 G. Any interest earnings on funds or accounts created for the
6 purposes of this section may be utilized as partial payment of the
7 annual debt service or for the purposes directed by the Authority.

8 H. The obligations issued under this section, the transfer
9 thereof and the interest earned on such obligations, including any
10 profit derived from the sale thereof, shall not be subject to
11 taxation of any kind by the State of Oklahoma, or by any county,
12 municipality or political subdivision therein.

13 I. The Authority may direct the investment of all monies in any
14 funds or accounts created in connection with the offering of the
15 obligations authorized under this section. Such investments shall
16 be made in a manner consistent with the investment guidelines of the
17 State Treasurer. The Authority may place additional restrictions on
18 the investment of such monies if necessary to enhance the
19 marketability of the obligations.

20 J. Insofar as they are not in conflict with the provisions of
21 this section, the provisions of Section 151 et seq. of Title 73 of
22 the Oklahoma Statutes shall apply to this section.

23 SECTION 2. It being immediately necessary for the preservation
24 of the public peace, health and safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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